citizens and step up presence of the State Government machinery in the affected areas.

(iii) The States should consult each other, pursue a coordinated approach and conduct peace dialogue in a manner that it does not impact the other States adversely.

(iv) The States should modernize their police forces and improve intelligence gathering and sharing mechanisms to take sustained and effective police action, wherever the possibility of a peace dialogue does not exist.

FTA among Asian countries

*160. SHRIMATI JAYA BACHCHAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is any possibility of Free Trade Agreement materialising among Asian countries; if so, the details thereof; and

(b) what is likely to be the impact of this agreement on the automobile industry in the country?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) The Government of India has signed the South Asia Free Trade Area (SAFTA) Agreement comprising SAARC members, Framework Agreement with Association of South East Asian Nations (ASEAN) on Comprehensive Economic Cooperation Agreement (CECA), Framework Agreement for Bay of Bengal Initiative Multisectoral Technical & Economic Cooperation Free Trade Agreement (BIMSTEC FTA), Bilateral CECA with Singapore, Bilateral Free Trade Agreements with Nepal, Bhutan and Sri Lanka, and is negotiating bilateral CECA with few other Asian countries. However, at present, there is no move for entering into a single Free Trade Agreement among all Asian Countries.

(b) The coverage of goods and the tariff liberalization programme under various Free Trade Agreements (FTAs) are finalized after due consultation with domestic stakeholders, which includes the automobile industry in the country, so that their views and sensitivities are taken into account in the negotiations.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Foreign capital investment in retail market

†954. SHRI RAM JETHMALANI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that a demand has been made in a study report issued by certain private sector institutions that foreign capital investment may be increased by 49 per cent in retail market;

(b) if so, the names of such institutions and the details of the study reports forwarded by these institutions to Government during last three years;

(c) whether Government have made any cost benefit analysis on this report on retail market; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN): (a) to (d) The Study Report of the Indian Council for Research on International Economic Relations has recommended gradual opening of the FDI regime for retail trading and allowing FDI upto 49% in the initial stage. The Centre for Policy Alternatives has, *inter-alia*, recommended strengthening of domestic retail industry and gradual entery of foreign players with social safeguards. The issue is being discussed among the stakeholders. Government has not, so far, taken any decision on the subject.

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†Original notice of the question was received in Hindi.